

# **FISCAL NOTE**

## **HB 445 - SB 320**

February 18, 2003

### **SUMMARY OF BILL:** Provides:

- a land owner may apply with the assessor of property for classification of land as low-income housing property.
- the assessor shall record properties classified as such on a separate list and record the application for classification with the register of deeds with any fees paid by the property owner.
- a parcel of land classified as low-income housing property shall be valued in accordance with its present use value, defined as the value of land and improvements based on use as low-income housing property.
- the present use value of low-income housing property shall be determined by reference to net income from restricted rents and shall not assign value to low-income housing tax credits.
- for the payment of rollback taxes for property that ceases to qualify as low-income housing property.

### **ESTIMATED FISCAL IMPACT:**

#### **Decrease Local Govt. Revenues - Exceeds \$5,000,000**

Estimate assumes:

- only restricted rental income can be considered in assessing low-income rental housing resulting in property being assessed at less than market value.
- over 25,000 affected LIHTC and FmHA 515 units with an average appraisal reduction of \$15,000 each.
- property is assessed at 40% of this new value.
- estimate is based on a \$3.75 combined county and city tax rate.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director